REMARKS

Claims 1-85 are pending in the application. Claims 1-20, 22-24, 26-39, 43, 44, 46-59, 62-67, 49-80, and 82-84 stand rejected. Claims 21, 25, 40-42, 45, 60, 61, 68, and 81 stand objected to as being dependent upon an rejected bas claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Claims 1-3, 11, 25, 31, 36, 40, 41, 51, and 71 are amended in the Claim Listing above. Claims 68 and 81 are canceled in the Claim Listing above. Claim 86 is being added. No new matter is being introduced by way of the amendments or new claim.

Applicants thank Examiner Zewdu for conducting an Examiner's Interview on September 22, 2005. During the Examiner's Interview, a discussion regarding whether one of the references, Kommrusch, is analogous art with respect to claim 1 as pending in the application as of the date of the Examiner's Interview, and whether a combination of Palermo and Kommrusch results in Applicants' then pending claim 1. No agreement was reached, as indicated in the Interview Summary mailed September 27, 2005. Therefore, to expedite prosecution in this application, Applicants are amending claim 1 and the other independent claims, claims 11, 36, 51, and 71 for purposes of expediting prosecution. Applicants reserve the right to refile the claims, as originally filed in this application or prior to the amendments made herein, in a continuing application.

Claims 1-4, 6-20, 24, 26-39, 43-44, 46-52, 54-58, 62-64, 69-77, and 82-84 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Palermo et al. (WO 96/37052) ("Palermo") in view of Kommrusch (3,906,405).

Independent claim 11 is amended in the Claim Listing above with limitations of claim 25, which stands objected to, as described above. Specifically, claim 11 now recites, "coupling at least a portion of the first circuit and transducer to a second circuit, at least a portion of a reactance of the first and second circuits substantially canceling each other." Because neither Palermo nor Kommrusch, alone or in combination, teach, suggest, or provide motivation for all of the limitations of now amended claim 11, Applicants respectfully request the rejection of claim 11 under 35 U.S.C. 103(a) be withdrawn.

Independent claim 36 is amended in the Claim Listing above with limitations of claim 40, which stands objected to, as described above. Specifically, claim 36 now recites, "reducing at

least a portion of a reactance along the second circuit path including the transducer by substantially matching a reactance of the transducer with at least one circuit component disposed along the second circuit path." Because neither Palermo nor Kommrusch, alone or in combination, teach, suggest, or provide motivation for all of the limitations of now amended claim 36, Applicants respectfully request the rejection of claim 36 under 35 U.S.C. 103(a) be withdrawn.

Independent claim 51 is amended in the Claim Listing above with limitations of claim 68, which stands objected to, as described above. Specifically, claim 51 now recites, "intermittently adjusting characteristics of the circuit during use based upon feedback to more efficiently transmit or receive over one of the multiple transducers." Because neither Palermo nor Kommrusch, alone or in combination, teach, suggest, or provide motivation for all of the limitations of now amended claim 51, Applicants respectfully request the rejection of claim 51 under 35 U.S.C. 103(a) be withdrawn.

Independent claim 71 is amended in the Claim Listing above with limitations of claim 81, which stands objected to, as described above. Specifically, claim 71 now recites, "<u>intermittently</u> adjusting characteristics of the first or second circuit paths <u>during use based upon feedback to more efficiently transmit or receive over the transducer</u>." Because neither Palermo nor Kommrusch, alone or in combination, teach, suggest, or provide motivation for all of the limitations of now amended claim 71, Applicants respectfully request the rejection of claim 71 under 35 U.S.C. 103(a) be withdrawn.

Because claims 12-20, 24, and 26-35 depend from claim 11; claims 37-39, 43-44, and 46-50 depend from claim 36; claims 52, 54-58, 62-64, and 69-70 depend from claim 51; and claims 72-80 and 82-84 depend from claim 71; these claims should be allowed for at least the same reasons as the independent claims from which they depend.

Applicants' claim 1 as now amended in the claim listing above recites:

increasing a magnetic field generated by the inductive transducer by substantially matching the inductance of the transducer with a capacitance; and adjusting electrical characteristics of the second circuit ... to increase a signal generated by the inductive transducer while receiving a magnetic field,

where the underlined portion represents the amendment in the Claim Listing above. Support for the claim amendments can be found in the specification as originally filed at least at page 23, line 25 through page 24, line 7 in reference to Fig. 2.

Neither Palermo nor Kommrusch, alone or in combination, discloses an inductive communications system using a method as recited in now amended claim 1. Specifically, Palermo does not disclose a method of increasing a magnetic field generated by adjusting electrical characteristics of a circuit, and Kommrusch discloses an RF system that does not match inductance of a transducer with a capacitance.

Therefore, because neither Palermo nor Kommrusch, either alone or in combination, teach, suggest, or provide motivation for every limitation of Applicants' claim 1 as now amended, Applicants respectfully submit that the rejection of claim 1 under 35 U.S.C. § 103(a) based on a combination of these references should be withdrawn.

Claims 2 and 3 are being amended based on the amendments of claim 1. Support for amended claim 2 is found at least in Fig. 2 and at page 21, line 16 of the application as originally filed. Support for amended claim 3 is found at least at page 26, lines 3-10.

Because claims 2-4, 6-10, and 85 depend from claim 1, these claims should be allowed for at least the same reasons.

Claims 51-52, 54-59, 62-64, and 69-70 were rejected on page 15 of the Office Action under 35 U.S.C. 103(a) as being unpatentable over Palermo in view of Kommrusch, and further in view of Lou et al. ("Lou") (U.S. 6,369, 550 B1).

As described above, independent claim 51 is amended in the Claim Listing above to include limitations of claim 68, which stands objected to, as described above. Accordingly, Applicants respectfully submit that the rejection under 35 U.S.C. 103(a) as being unpatentable over Palermo, Kommrusch, and Lou is now moot and requests the rejection be withdrawn.

Claims 5, 22-23, and 53 were rejected under 35 U.S.C. 103(a) as being unpatentable over Palermo in view of Kommrusch, and further in view of Shloss et al. ("Shloss") (U.S. 5,425,032).

Shloss is being applied to these claims based on its disclosure of Time Division Multiple Access (TDMA). However, Shloss does not make-up for the shortcomings of Palermo and Kommrusch with respect to the base claims from which claims 5, 22-23, and 53 depend.

Accordingly, Applicants respectfully submit that the rejection of these claims under 35 U.S.C. 103(a) based on Palermo, Kommrusch, and Shloss should be withdrawn.

Claims 65-67 and 78-80 were rejected on page 20 of the Office Action under 35 U.S.C. 103(a) as being unpatentable over Palermo in view of Kommrusch as applied to claim 71 above, and further in view of Wilkins et al. ("Wilkins") (U.S. 4,965,607). Applicants believe the listing of "Petro" instead of Kommrusch in the rejection of these claims on page 20 of the present Office Action to be in error, so Kommrusch is listed in the previous sentence.

Because claims 51 and 71 were amended with limitations of 'objected to' claims 68 and 81, respectively, and because claims 65-67 and 78-80 depend from claims 51 and 71, respectively, Applicants respectfully submit that the rejection of these claims is now moot and that the rejections should be withdrawn.

New claim 86 is supported by the specification at least at page 46, line 22 through page 47, line 14 in reference to Fig. 15. Combinations of any of the aforementioned cited references do not teach, suggest, or provide motivation for new claim 86. Accordingly, Applicants respectfully submit that new claim 86 should be allowed.

CONCLUSION

In view of the above amendments and remarks, it is believed that all now pending claims (claims 1-67, 69-80, and 82-86) are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,

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